

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: September 21, 2005

Division: Fire Rescue Services

Bulk Item: Yes X No

Department: Fire Rescue

Staff Contact Person: Clark Martin

AGENDA ITEM WORDING: Acceptance of the Monroe County Length of Service Award Program (LOSAP) actuarial valuation report for the Plan Year 2005.

ITEM BACKGROUND: These actuarial valuations and/or cost determinations were prepared and completed by Glenn F. Mouton, on behalf of Mouton & Company, Inc. They meet the requirements and intent of Part VII, Chapter 112, Florida Statutes (Actuarial Soundness of Retirement Systems).

PREVIOUS RELEVANT BOCC ACTION: On June 9, 1999, the Board adopted Ordinance No. 026-1999, providing for the creation of a Length of Service Awards Plan, providing benefits to eligible volunteer fire fighters and emergency medical services volunteers.

CONTRACT/AGREEMENT CHANGES: Not an agreement.

STAFF RECOMMENDATIONS: Acceptance of actuarial valuation report.

TOTAL COST:

COUNTY/DISTRICT CONTRIBUTION 2005: \$56,050.00 **BUDGETED:** Yes X No

COST TO COUNTY: \$56,050.00

SOURCE OF FUNDS: Ad valorem taxation

REVENUE PRODUCING: Yes No X

AMOUNT PER MONTH **Year**

APPROVED BY: County Atty N/A OMB/Purchasing N/A Risk Management N/A

DIVISION DIRECTOR APPROVAL:


Clark O. Martin, Jr.

DOCUMENTATION: Included X

Not Required

DISPOSITION:

AGENDA ITEM #



MOUTON & COMPANY, INC.

ACTUARIES AND PENSION ADMINISTRATORS

August 30, 2005

Monroe County Board of County Commissioners
c/o Chief Clark Martin
490 63rd Street
Marathon, FL 33050

Subject: Monroe County, Florida Volunteer Firefighter and Emergency
Medical Services Length of Services Award Plan
January 1, 2005 Actuarial Valuation

Dear Chief Martin:

Enclosed is the actuarial valuation for the Monroe County LOSAP plan. Once the valuation report has been accepted by the board, we will forward a copy to the State for approval.

Should you have any questions regarding the enclosed report, please give me a call.

Sincerely,

Nanette Mouton
Executive Vice President

NSM/s
Enclosure

MONROE COUNTY

**FLORIDA VOLUNTEER FIREFIGHTER
AND EMERGENCY MEDICAL SERVICES
LENGTH OF SERVICE AWARD PLAN**

**ACTUARIAL REPORT
JANUARY 1, 2005**

August 25, 2005

Monroe County Board of County Commissioners
c/o Chief Clark Martin
490 63rd Street
Marathon, FL 33050

Dear Plan Administrator:

We are pleased to present the attached Report as of January 1, 2005, covering the actuarial aspects of the "Monroe County LOSAP" for the Plan Year ending December 31, 2005 and the County's fiscal year ending September 30, 2006.

A brief overview of the results can be obtained by looking at the following figures for the past three years:

Item	2003 Plan Year	2004 Plan Year	2005 Plan Year
Participants	193	189	147
Covered Payroll	\$ na	\$ na	\$ na
Total Plan Normal Funding *	\$73,480	\$58,904	\$61,050
Florida Required Funding **	\$84,381	\$64,092	\$60,877

* assuming an additional years past service benefit

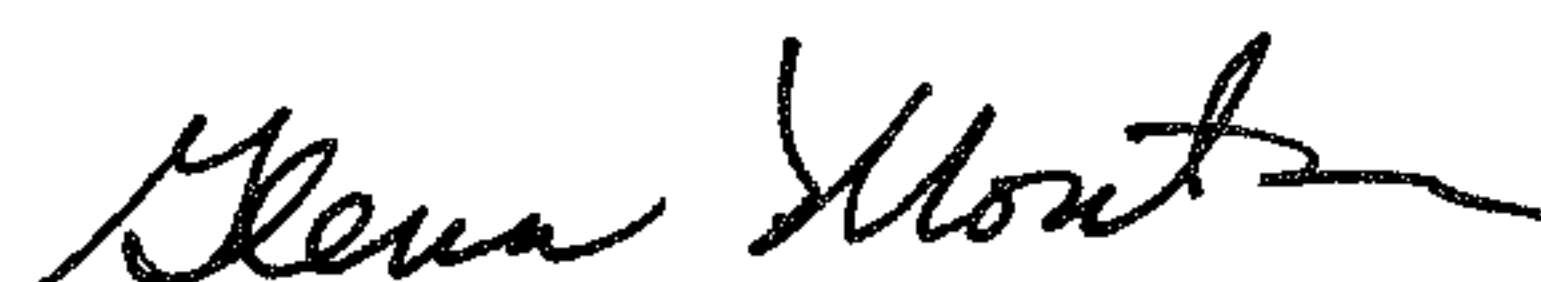
** includes provisions for expenses and provisions for Funding Standard Account debit balances

Again, there was a decrease in active participation by the cities, which resulted in a drop in the funding costs.

Additionally, the actual 3-year average of 0.29% and the 5-year average of .58%, as shown on page 8 of the valuation report, are below the previous interest assumption of 5.0%. We have therefore reduced the interest rate assumption from 5.0% to 4.0% for this valuation. The plan has continued to invest in, what appears to us to be, a money market equivalent. The plan can, and probably should, consider longer horizon investments, since the plan's obligations are not short term.

Assuming that the recommended funding is made, it is our opinion that the Plan will be proceeding with a funding program, which can be expected to support the benefits promised by the Plan on an adequate and timely basis.

Respectfully submitted,



Glenn F. Mouton, FSA
Consulting Actuary

GFM/nm
Enclosures

August 15, 2005

ACTUARIAL REPORT

PLAN: Monroe County, Florida Volunteer Firefighter and Emergency
Medical Services Length of Services Award Plan

PLAN YEAR: January 1, 2005 through December 31, 2005

SPONSOR FISCAL YEAR: October 1, 2005 through September 30, 2006

VALUATION DATE: January 1, 2005

This report presents the results of the Actuarial Valuation as of Valuation Date shown above of the Plan. The principal purposes of this report are

- To present the financial condition of the Plan
- To satisfy the requirements of Chapter 112 of the Florida Statutes
- To present the contributions required to adequately fund the Plan during the current year, according to the plan's current funding methodology
- To present disclosures required by Governmental Accounting Standards Board, Statements #25

Mouton and Company, Inc. was retained by the Plan Administrator of the Plan for this report. This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Aug 31, 2005

Date

Glenn F. Mouton

Glenn F. Mouton
Enrollment #05-2773
On Behalf of Mouton & Company, Inc.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND EMERGENCY
MEDICAL SERVICES LENGTH OF SERVICES AWARD PLAN
Actuarial Valuation as of January 1, 2005

TABLE OF CONTENTS

EXHIBIT 1	VALUATION RESULTS	
	Schedule A – Plan Description – After Changes	1
	Schedule A – Plan Description – Before Changes	2
	Schedule B - Development of Current Year's Costs	3
	Schedule C – Development of Historical and Projected FSA	4
	Schedule D - Participant Data	5
	Schedule E - Assets	5
	Schedule F - Liabilities	5
	Schedule G - Actuarial Present Value of Accrued Benefits	6
	Schedule H - Statement of Changes in Total Actuarial Present Value of All Accrued Benefits	6
	Schedule I - Pension Cost	7
	Schedule J - Past Contributions	7
	Schedule K - Comparison of Actual to Assumed Earnings	8
EXHIBIT 2	PARTICIPANT DEMOGRAPHICS	
	Schedule A - Coverage	9
	Schedule B - Participant Reconciliation	10
EXHIBIT 3	PLAN ASSET INFORMATION	
	Schedule A - Statement of Net Assets Available for Benefits at Market Values	11
	Schedule B - Statement of Changes in Net Assets Available for Benefits	12
EXHIBIT 4	PLAN SUMMARY	13
EXHIBIT 5	COST METHOD AND ASSUMPTIONS	16
EXHIBIT 6	PENSION COST RATIONALE	18
EXHIBIT 7	GASB 25 INFORMATION	19

Recap of Results: Development of Actuarial Assets by Department							Interest Rate:	4.00%
District	Beginning of Year Assets	Contribution	Benefits Paid	Expenses Paid	Interest Credited for Year	End of Year Assets	Rounded End of Year Assets	
Big Coppitt	49,385.07	3,256.61	0.00	428.96	738.26	52,950.98	52,951	
Big Pine	60,579.88	6,164.68	0.00	812.01	905.61	66,838.16	66,838	
Conch Key	33,671.01	-1,847.03	0.00	(243.29)	503.35	32,570.61	32,571	
Key Largo Fire	111,333.17	15,240.98	0.00	2,007.53	1,664.30	126,230.92	126,231	
Key Largo EMS	94,340.48	13,136.69	0.00	1,730.36	1,410.29	107,157.10	107,157	
Layton	61,702.41	8,092.33	0.00	1,065.92	922.39	69,651.21	69,651	
Sugarloaf Key	62,036.73	7,533.95	0.00	992.37	927.39	69,505.70	69,506	
Tavernier	89,689.48	12,325.80	0.00	1,623.55	1,340.77	101,732.50	101,733	
Monroe County	562,738.22	63,904.00	0.00	8,417.39	8,412.36	626,637.19	626,638	
				test:	8,412.36			

Note: All expenses were paid directly by the County. All rounding adjustments are made to Key Largo Fire.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 1 of 22

Actuarial Valuation as of January 1, 2005

CURRENT VALUATION RESULTS

EXHIBIT 1

Plan Description												Schedule A
Actuarial Study as of:					01-Jan-05						Value	
Completed months to participate											0	
Years of Credited Service Required to be Fully Vested:											10	
Maximum number of credited Service Months at program inception:											120	
For vesting purposes:											12	
For benefit accrual purposes:											1992	
First Year for which Retroactive Benefit Accrual Service Is Granted:											180	
Annual Benefit Accrued for each completed year of service											4,500	
Maximum Annual Benefit:											1,518	
Present Value of Annual Bft Earned @ NRA:											37,959	
Present value of maximum benefit @ NRA:											1.03989	
Interest Adjustment to Move Normal Costs to End of Valuation Year:											4.00%	
Recap of Results:					After Change						Interest Rate:	
District	Parti- cipants Reported	Parti- cipants Valued Active	Active Not Accruing Benefits	Ineligible Parti- cipants	Inactives Valued	Present Value of Fut. Benefits Active	Present Value of Fut. Benefits Inactive	Allocated Actuarial Assets	Present Value of Future Normal Costs	Aggregate Future Service Annuity	Average Future Service Annuity	Current Normal Cost EOY
Big Coppitt	21	14	7	0	0	93,090	0	52,951	40,139	129.592	6.171	6,764
Big Pine	18	6	11	0	1	92,355	9,790	66,838	35,307	129.713	7.206	5,095
Conch Key	0	0	0	0	2	0	9,064	32,571	(23,507)	16.675	8.338	-2,932
Key Largo Fire	38	25	9	0	4	205,307	18,973	126,231	98,049	251.442	6.617	15,409
Key Largo EMS	20	11	9	0	0	188,029	0	107,157	80,872	140.935	7.047	11,934
Layton	12	8	4	0	0	110,931	0	69,651	41,280	60.695	5.058	8,487
Sugarloaf Key	15	4	9	0	2	65,070	11,233	69,506	6,797	96.593	6.440	1,098
Tavernier	23	0	19	0	4	146,019	18,430	101,733	62,716	147.121	6.397	10,195
Monroe County	147	68	68	0	13	900,801	67,490	626,638	341,653	972.766	6.529	56,050

Note: Only Participants with 3 or more months of service in the prior plan year or who are vested in a benefit are valued.

Expense cost shown on page 3.

MOUTON & COMPANY, INC.

ACTUARIES & PENSION ADMINISTRATORS

Actuarial Valuation as of January 1, 2005

CURRENT VALUATION RESULTS

EXHIBIT 1

Plan Description	Schedule A
Actuarial Study as of:	01-Jan-05
Completed months to participate	0
Years of Credited Service Required to be Fully Vested:	10
Maximum number of credited Service Months at program inception:	
For vesting purposes:	120
For benefit accrual purposes:	12
First Year for which Retroactive Benefit Accrual Service Is Granted:	1993
Annual Benefit Accrued for each completed year of service	180
Maximum Annual Benefit:	4,500
Present Value of Annual Bft Earned @ NRA:	1,518
Present value of maximum benefit @ NRA:	37,959
Interest Adjustment to Move Normal Costs to End of Valuation Year:	1.03989

Recap of Results:					Before Change					Interest Rate:		
District	Parti- cipants Reported	Parti- cipants Valued Active	Active Not Accruing Benefits	Ineligible Parti- cipants	Inactives Valued	Present Value of Fut. Benefits Active	Present Value of Fut. Benefits Inactive	Allocated Actuarial Assets	Present Value of Future Normal Costs	Aggregate Future Service Annuity	Average Future Service Annuity	Current Normal Cost EOY
Big Coppitt	21	14	7	0	0	92,236	0	52,951	39,285	129.592	6.171	6,620
Big Pine	18	6	11	0	1	92,355	8,566	66,838	34,083	129.713	7.206	4,918
Conch Key	0	0	0	0	2	0	7,332	32,571	(25,239)	16.675	8.338	-3,148
Key Largo Fire	38	25	9	0	4	200,120	17,545	126,231	91,434	251.442	6.617	14,369
Key Largo EMS	20	11	9	0	0	184,840	0	107,157	77,683	140.935	7.047	11,463
Layton	12	8	4	0	0	106,776	0	69,651	37,125	60.695	5.058	7,633
Sugarloaf Key	15	4	9	0	2	65,073	9,317	69,506	4,884	96.593	6.440	789
Tavernier	23	0	19	0	4	139,083	17,500	101,733	54,850	147.121	6.397	8,916
Monroe County	147	68	68	0	13	880,483	60,260	626,638	314,105	972.766	6.210	51,560

Note: Only Participants with 3 or more months of service in the prior plan year or who are vested in a benefit are valued.

Expense cost shown on page 3.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 3 of 22

Actuarial Valuation as of January 1, 2005

CURRENT VALUATION RESULTS

EXHIBIT 1

Development of Current Year's Costs

Schedule B

	Before Change Current Year 01-Jan-2005	After Change * Current Year 01-Jan-2005	Prior Year 01-Jan-2004
A. Present Value of Future Obligations:			
1. Active Members	880,483	900,801	761,705
2. Inactive Members	60,260	67,490	125,400
3. Retired Members	0	0	0
4. Survivors on Benefit	0	0	0
5. Disabled Members	0	0	0
Total Actuarial Accrued Liability:	940,743	968,291	887,105
B. Less Present Value of:			
1. Member Contributions	0	0	0
2. Florida Premium Tax Rebates	0	0	0
	0	0	0
C. Less Actuarial Plan Assets	626,637	626,637	562,738
D. Amount to be Funded by County (A-B-C) (Unfunded Actuarial Accrued Liability)	314,106	341,654	324,367
E. Aggregate Normal Costs from District Calculatio	51,560	56,050	53,904
F. Expenses not paid directly by the County	5,000	5,000	5,000
G. Interest Adjustments not included elsewhere	0	0	0
H. Total Plan Normal Costs = GASB 25 ARC	56,560	61,050	58,904

* Change is the crediting of 1992 as an additional year of potential past credited service.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 4 of 22

Actuarial Valuation as of January 1, 2005

CURRENT VALUATION RESULTS

EXHIBIT 1

Development of Historical and Projected Funding Standard Account Balances

Schedule C

	Before Changes Projected Current Plan Year 01-Jan-2005	After Changes Projected Current Plan Year 01-Jan-2005	Prior Year 01-Jan-2004
A. Beginning Balance	166	166	-4,941
Interest Adjustment to End of Year	7	7	-247
B. Less Charges to Account			
1. Normal Costs for the Year (BOY)	51,560	56,050	53,904
2. Provision for Expenses	5,000	5,000	5,000
2. Amortization Charges (net) (BOY)	0	0	0
3. Interest Adjustment to End of Year 4.00%	0	0	0
	56,560	61,050	58,904
C. Plus Credits to Account			
1. Contributions Credited During the Year	0	0	63,904
2. Amortization Charges (net) (BOY)	0	0	0
3. Interest Adjustment to End of Year	0	0	354
	0	0	64,258
D. Ending Balance*	-56,387	-60,877	166

Date Made	Amount	Interest
27-Jan-04	5,000	186
	0	0
06-Dec-04	58,904	168
		0
	63,904	354

MOUTON & COMPANY, INC.

ACTUARIES & PENSION ADMINISTRATORS

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 5 of 22

Actuarial Valuation as of January 1, 2005

CURRENT VALUATION RESULTS

EXHIBIT 1

Participant Data

Schedule D

	Current Year 01-Jan-2005	Prior Year 01-Jan-2004	Next Prior Year 01-Jan-2003
Number Included			
Active Members	136	150	157
Inactive Members	13	38	36
Retired Members	0	0	0
Current Beneficiaries	0	0	0
Disabled Members	0	0	0
Total Annual Payroll of Actives	0	0	0
Total Annual Benefits:			
to Retired Members	0	0	0
to Current Beneficiaries	0	0	0
to Disabled Members	0	0	0

Assets

Schedule E

Actuarial Value	626,637	562,738	474,729
Market Value	626,637	562,738	474,729

Liabilities

Schedule F

	Before Changes Current Plan Year 01-Jan-2005	After Changes Current Plan Year 01-Jan-2005	Prior Plan Year 01-Jan-2004
Present Value of Future Benefits			
Active Members	880,483	900,801	761,705
Inactive Members	60,260	67,490	125,400
Retired Members	0	0	0
Current Beneficiaries	0	0	0
Disabled Members	0	0	0
Total	940,743	968,291	887,105
Less Present Value			
Future Member Contributions	0	0	0
Future State Contributions	0	0	0
Actuarial Accrued Liability	940,743	968,291	887,105
less Actuarial Plan Assets	(626,637)	(626,637)	(562,738)
Unfunded Actuarial Accrued Liability	314,106	341,654	324,367

MOUTON & COMPANY, INC.

ACTUARIES & PENSION ADMINISTRATORS

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 6 of 22

Actuarial Valuation as of January 1, 2005

CURRENT VALUATION RESULTS

EXHIBIT 1

Actuarial Present Value of Accrued Benefits

Schedule G

	Before Changes Current Year 01-Jan-2005	After Changes Current Year 01-Jan-2005	Corrected Prior Year 01-Jan-2004
Vested Accrued Benefits			
Inactive Members & Beneficiaries	60,240	67,471	141,946
Active Members	309,935	332,688	230,453
Total	370,175	400,159	372,399
Nonvested Accrued Benefits	120,477	116,648	133,184
Total	490,652	516,807	505,583

Statement of Changes in Total Actuarial Present Value
of All Accrued Benefits

Schedule H

	Before Changes Current Year 01-Jan-2005	After Changes Current Year 01-Jan-2005
Present Value of Accrued Benefits at Beginning of Year	505,583	505,583
Increase (Decrease) During Year Attributable to (where applicable):		
Plan Adoption	0	0
Plan Amendment	0	26,155
Changes in Valuation -- interest rate	158,322	158,322
Increase due to Survivorship	0	0
Increase for less Interest Discount	22,751	22,751
Benefits Accrued, net of excluded participants	26,985	26,985
Benefits Paid	0	0
Other Changes - terminations	(222,989)	(222,989)
Net Increase (Decrease)	(14,931)	11,224
Actuarial Present Value of Accrued Benefits at End of Year	490,652	516,807

MOUTON & COMPANY, INC.

ACTUARIES & PENSION ADMINISTRATORS

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 7 of 22

Actuarial Valuation as of January 1, 2005

CURRENT VALUATION RESULTS

EXHIBIT 1

Pension Cost

Schedule I

	Before Changes Current Plan Year 01-Jan-2005	After Changes Current Plan Year 01-Jan-2005	Prior Plan Year 01-Jan-2004
Required Funding Costs	51,560	56,050	53,904
Current Administrative Expense	4,834	4,834	9,941
Interest Adjustment	(7)	(7)	247
Total Required County Contribution	56,387	60,877	64,092
As % of Payroll	N/A	N/A	N/A
Estimated Participant Contributions	0	0	0
As % of Payroll	N/A	N/A	N/A
Estimated Premium Tax Refund	0	0	0
As % of Payroll	N/A	N/A	N/A
Remaining Amount to be Contributed by County	56,387	60,877	64,092
As % of Payroll	N/A	N/A	N/A

Past Contributions

Schedule J

For the fiscal year ended 12/31/04

Total Contribution Required

64,092

Actual Contribution Made By:

State

0

County

63,904

Participants

0

63,904

MOUTON & COMPANY, INC.

ACTUARIES & PENSION ADMINISTRATORS

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 8 of 22

Actuarial Valuation as of January 1, 2005

CURRENT VALUATION RESULTS

EXHIBIT 1

Comparison of Actual to Assumed Earnings

Schedule K

(Assuming uniform income and disbursements, Employer Contributions assumed at End of Year)

Valuation Date	Beginning Assets	Ending Assets	Investment Earnings	Other Income	Benefits and Expenses
31-Dec-1999	0	150,113	0	0	0
31-Dec-2000	150,113	313,548	2,751	0	0
31-Dec-2001	313,548	389,408	13,821	0	4,210
31-Dec-2002	389,408	474,729	4,284	0	8,400
31-Dec-2003	474,729	562,738	9,169	0	0
31-Dec-2004	562,738	626,637	8,412	0	8,417

Valuation Date	Net Increase	Expected Earnings	Actual Experience	3 Year Average	5 Year Average	Assumed Factor
31-Dec-1999	0	0	0.00%	na	na	5.00%
31-Dec-2000	2,751	7,506	1.83%	na	na	5.00%
31-Dec-2001	9,611	15,572	3.09%	na	na	5.00%
31-Dec-2002	(4,116)	19,260	-1.07%	1.28%	na	5.00%
31-Dec-2003	9,169	23,736	1.93%	1.32%	na	5.00%
31-Dec-2004	(5)	27,926	0.00%	0.29%	0.58%	5.00%

1999 is the first plan year and no assets were present prior to the end of the year, other than County accrued contributions. Current earning rates are artificially depressed due to the plan only recently starting its funding. Future assets will be invested assets and are expected to earn at or above the assumed factor, net of investment expenses.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 9 of 22

Actuarial Valuation as of January 1, 2005

PARTICIPANT DEMOGRAPHICS

EXHIBIT 2

Coverage

Schedule A

This valuation includes the following 149 persons covered by the plan as of December 31, 2004.

Category	Number	Amount
Active Participants	136	0 *
Other Inactive Participants	13	0 **
Retirees on Benefit	0	0 **
Survivors on Benefit	0	0 **
Participants on Disability Benefit	0	0 **
Terminated Vested Participants	0	0 **
TOTAL	149	N/A

* Annual covered pay only

** Annual Benefit

40 persons (included in the data furnished to us) were ineligible for participation as of the valuation date. Participant data was furnished by the County of Monore and was as of December 31, 2004.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN

Page 10 of 22

Actuarial Valuation as of January 1, 2005

PARTICIPANT DEMOGRAPHICS

EXHIBIT 2

Participant Reconciliation

Schedule B

	<u>Active</u>	<u>Retired on Benefit</u>	<u>Survivor on Benefit</u>	<u>Disabled</u>	<u>With Vested Benefit</u>	<u>Total</u>
Participants at 01-Jan-2004	150	0	0	0	38	188
New	23					23
Retirement	0					0
Death	0					0
Non-Vested Termination	-20				-42	(62)
Vested Termination	-17				17	0
Lump Sum Settlement	0					0
New Survivors	0					0
Participants at 31-Dec-2004	<u>136</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>149</u>

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD P
Actuarial Valuation as of January 1, 2005

Page 11 of 22

PLAN ASSET INFORMATION

EXHIBIT 3

Statement of Net Assets Available for Benefits*

31-Dec-2003

Schedule A

31-Dec-2004

Market Value

Money Market	562,738.22	626,637.19
Accrued Contribution - Employer	0.00	0.00
	-----	-----
	562,738.22	626,637.19
	-----	-----
Liabilities		
Accounts Payable	0.00	0.00
Deferred Revenues	0.00	0.00
	-----	-----
	0.00	0.00
	-----	-----
Net Assets Available	562,738.22	626,637.19
	=====	=====

* As reported by the County

Page 12 of 22

EXHIBIT 3

Schedule B

31-Dec-2004

MOUTON & COMPANY, INC.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND EMERGENCY
MEDICAL SERVICES LENGTH OF SERVICES AWARD PLAN
Actuarial Valuation as of January 1, 2005

Page 13 of 22

PLAN SUMMARY

EXHIBIT 4

1. General Information

- (a) Plan Name: Monroe County, Florida Volunteer Firefighter and
Emergency Medical Services Length of Service Award Plan
- (b) Plan Year: January 1 through December 31
- (c) Plan Sponsor: County of Monroe, Florida
- (d) Sponsor Fiscal Year: October 1 through September 30
- (e) Plan Administrator: Board or such other person or entity as designated by the Board
to administer the Plan
- (f) Effective Date: January 1, 1999

2. Eligibility for Participation

The Plan Administrator shall, in its sole discretion, determine those Volunteer Firefighters and EMS Volunteers ("Volunteers") eligible to participate in the Plan. Any Volunteer who was age 60 or older on January 1, 1999 shall not be eligible to participate in the Plan. In addition, any Volunteers who are age 60 or older at the time they commence volunteer service, or who commence service at a time that will not permit them to earn ten Years of Service by their Normal Retirement Age shall not be eligible to participate.

3. Years of Service

Each year of volunteer service, a participant will accrue a year of benefit accrual if the participant was:

- A. enrolled as a member of the nonprofit corporation or MSTU; and
- B. was eligible for and received reimbursement of expenses for nine or more months of the year.

In the event that a non-vested Participant fails to accrue a Year of Service during any three consecutive Plan Years, the Participant shall incur a "break-in-service", and any Years of Service earned by the Participant prior to the break-in-service, shall be disregarded for purposes of the Plan. In addition, in the event that any Participant ceases to be carried on an active membership roll as a Volunteer Firefighter or EMS Volunteer

PLAN SUMMARY

EXHIBIT 4

and later returns to active membership roll, only Years of Service earned after the Participant's return to the active membership roll shall be counted for purposes of the Plan

No Years of Service shall be earned for any year of volunteer service after the Participant has attained age sixty (60).

4. Contributions

Each Plan Year, the Board shall appropriate funds from the budgets of the various volunteer fire/rescue MSTU's to fund the accrued or prospective benefits for Participants on an actuarially sound basis.

5. Normal Retirement Benefit

(a) Eligibility: Completion of 10 years of service.

(b) Benefit: An annual benefit based on the following schedule:

Benefit Schedule

<u>Years of Service</u>	<u>Monthly Benefit</u>	<u>Annual Benefit</u>
25	\$375	\$4500
24	360	4320
23	345	4140
22	330	3960
21	315	3780
20	300	3600
19	285	3420
18	270	3240
17	255	3060
16	240	2880
15	225	2700
14	210	2520
13	195	2340
12	180	2160
11	165	1980
10	150	1800

(c) Form of Payment: Benefit payments are payable monthly for a period of ten years.

PLAN SUMMARY

EXHIBIT 4

6. Vesting

- (a) Eligibility: Completion of 10 years of service prior to attainment of Normal Retirement Age
- (b) Volunteer Firefighters: Attained the rank of Structural Firefighter, Non-Structural Firefighter and/or Emergency Vehicle Driver-Operator prior to being credited with 10 years of service.
- (c) Volunteer EMS: Attained the certification of Emergency Medical Technician or Paramedic or met all requirements by the State of Florida necessary to drive an emergency medical care and transportation vehicle (ambulance) prior to being credited with 10 years of service.

7. Death Benefits prior to Attaining Normal Retirement Age

- (a) Eligibility: Death of a vested Participant.
- (b) Benefit: The present value of vested accrued benefits.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND EMERGENCY
MEDICAL SERVICES LENGTH OF SERVICES AWARD PLAN

Actuarial Valuation as of January 1, 2005

Page 16 of 22

COST METHOD

EXHIBIT 5-A

COST METHOD: A variation of the aggregate actuarial cost method is being used to value the benefits. The present value of the projected benefits is calculated using the provisions of the plan and the actuarial assumptions. The actuarial value of assets is based on market value. The balance to be funded is allocated over the present value of a level annuity for the average future service of active participants. Total plan results are determined by summing the results calculated by aggregating participants by fire district, and in the case of Key Largo, separately by fire personnel and EMS personnel. Expenses are shown unallocated and are assumed to be paid directly by the County.

MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN
Actuarial Valuation as of January 1, 2005

Page 17 of 22

ACTUARIAL ASSUMPTIONS

EXHIBIT 5 - B

Actuarial Study as of:		01-Jan-2005
Valuation Date Adjustment:		0
Completed months to participate		0
Maximum number of credited Service Months at program inception:		
For vesting purposes:		120
For benefit accrual purposes:		12
Annual Benefit Accrued for each completed year of service		180
Maximum Annual Benefit Accrued for each completed year of service		4500
Vesting Schedule	Yrs	Vesting
	~~~~~	~~~~~
	0	0%
	10	100%
Termination Assumption: Godwin's Table 1, V Select & Ultimate Table, with 50% termination prob. for YOS<1.		
Interest rate function assumptions	i:	4.00%
	v:	0.96154
	d:	0.03846
101.22468	a(10)due:	8.43539
	i(12):	0.327%
	v(12):	0.99674
	d(12):	0.00326
	a(120)due:	99.44390
Maximum annual benefit accrual limited by IRC	3,000	355.64
Present value of maximum benefit:		37,959
Present value of annual benefit accrual		1,518
Year First Allowed for Benefit Accrual Purposes:	After:	1992
	Before:	1993
Maximum Credited Years for Benefit Accrual as of the Valuation Date:		14

MOUTON & COMPANY, INC.

ACTUARIES & PENSION ADMINISTRATORS

PENSION COST RATIONALE

EXHIBIT 6

When one speaks of pension costs, one must distinguish between "true" costs and "actuarial" costs.

The true cost of a pension plan depends on its experience and is equal to:

$$\begin{array}{r} \text{Total Benefits Paid} \\ + \\ \text{Total Expense to Run the Plan} \\ - \\ \text{Investment Earnings} \end{array}$$

Because this true cost is not apparent until many years into the future, and then only in retrospect, the actuary scientifically estimates what the true cost will be and then assesses a share against the current year's operations.

In order to estimate the true cost elements, the actuary must try to predict the future happenings which will affect them -- such as death, employee turnover, expenses, investment earnings, etc. The assessment to each current year is made using a particular "cost method", selected by the actuary considering tax implications to the Employer, future cost versus future earnings patterns, present and projected makeup of employee force, etc. Based on these considerations, the actuarial costs are found to be as shown in this report.

It is important to remember that these annual costs are estimates of the actuary, which, if his projections are realized, will accumulate according to certain future patterns, as dictated by the cost method, to meet the true costs on an adequate and timely basis.



GASB 25 Notes to the Financial Statements

- a. (1) The above PERS administrator is a single-employer with only one contributing county employer and no nonemployer and no contributors.
- (2) Only Volunteer Firefighters and EMS Volunteers are eligible at the sole discretion of the Plan Administrator. Any Volunteer who was age 60 or older on January 1, 1999 shall not be eligible to participate. In addition, any Volunteers who are age 60 or older at the time they commence volunteer service, or who commence service at a time that will not permit them to earn ten Years of Service by their Normal Retirement Age shall not be eligible to participate in this Plan.

Inactive Participants by category:

Retirees currently receiving benefits	0
Beneficiaries currently receiving benefits	0
Terminated employees entitled to benefits	13
	-----
	13
	=====
Fully vested and past normal retirement date	44
Partially vested	0
Non-vested	105
	-----
	149
	=====

- (3) The benefit provisions are as follows:

Years of Service	Monthly Benefit	Annual Benefit
25	\$375	\$4,500
24	360	\$4,320
23	345	\$4,140
22	330	\$3,960
21	315	\$3,780
20	300	\$3,600
19	285	\$3,420
18	270	\$3,240
17	255	\$3,060
16	240	\$2,880
15	225	\$2,700
14	210	\$2,520
13	195	\$2,340
12	180	\$2,160
11	165	\$1,980
10	150	\$1,800

- (4) Volunteer Firefighters must attain the rank of Structural Firefighter, Non-Structural Firefighter and or Emergency Vehicle Driver-Perator prior to being credited with ten Years of Service.

EMS Vounteers must meet all requirements as defined by the State of Florida necessary to drive an emergency medical care and transporation vehicle (ambulance) and/or attain certification as an Emergency Medical Technician or Paramedic prior to being credited with ten Years of Service.

Eligibility for vesting is completion of 10 years of service.

The Plan shall be administered in accordance with the requirements of Chapter 112, Part VII, Florida Statutes.

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GASB 25 Notes to the Financial Statements

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For each Plan Year, the Board shall appropriate funds from the budgets of the various fire/rescue MSTU's, such funds to be applied as a contribution to the LOSAP trust account in an amount as determined by the Plan Administrator as is necessary to fund the accrued or prospective benefits for Participants on an actuarially sound basis and in accordance with Part VII of Chapter 112, Florida Statutes.

There are no Participant contribution requirements.

The authority under which those obligations are established is the Monroe County Ordinance No. 026-1999

- b. (1) The accounting policies include the Accrual basis of accounting, and assets are reported at Market Value. Exchanges or "swaps" of securities are accounted for in the income.
- (2) We are aware of no investments (other than U.S. government and U.S. government-guaranteed obligations) which represented more than 5% of net assets available for benefits.
- (3) We are aware of no investments in, loans to, or leases with any PERS official, government employer official, party related to a PERS official or governmental employer official, nonemployer contributor, or organization included in the reporting entity.

The Actuarial Present Value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. There are no salaries paid to the Participants.



MONROE COUNTY, FLORIDA VOLUNTEER FIREFIGHTER AND  
EMERGENCY MEDICAL SERVICES LENGTH OF SERVICE AWARD PLAN  
Actuarial Valuation as of January 1, 2005

Page 21 of 22

EXHIBIT 7

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GASB 25 Notes to the Financial Statements

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The significant actuarial assumptions used to compute the pension benefit obligation were:

Investment Yield: 4.00% for both present and future. The prior valuation assumed 5.00%.

Mortality Pattern: Not applicable

Salary Increases: Not applicable

Termination: Godwin's Table 1, V Select & Ultimate Table, with 50% termination prob. for YOS<1.

The System's funding policy, as mandated by ordinance, provides for actuarially determined periodic contributions

The Actuarial Funding Method is a variation of the aggregate actuarial cost method. The present value of the projected benefits is calculated using the provisions of the plan and the actuarial assumptions. The actuarial value of assets includes only the value of assets. There are no member contributions, nor any State premium tax refunds.

The GASB 25 Actuarial Funding Method is the Aggregate Method. Since there is no salary, allocations are based on service. Aggregation is used by fire district, in order to permit the county to allocate costs by district. Under this method, gains and losses are spread over future normal costs.

GASB 25 Schedules of Funding Progress

The actuarially determined normal cost as of	31-Dec-2004	\$61,050	
Contributions actually made by employees and employer were:		Amount	% of Annual Payroll
County		63,904	na
Participants		0	na

As discussed in paragraph 87 of GASB-25, a schedule of funding progress is not required under the aggregate cost method, which the plan uses.

Summary of Fund Progress by Plan Years

	1/1/2004 to 12/31/2004	1/1/2003 to 12/31/2003	1/1/2002 to 12/31/2002	1/1/2001 to 12/31/2001	1/1/2000 to 12/31/2000	1/1/1999 to 12/31/1999
<b>Increases to funds</b>						
Employer Contribution	63,904.00	78,840.00	89,437.00	66,250.00	160,684.00	150,113.00
Employee Contribution	0.00	0.00	0.00	0.00	0.00	0.00
State Contribution	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Contributions</b>	<b>63,904.00</b>	<b>78,840.00</b>	<b>89,437.00</b>	<b>66,250.00</b>	<b>160,684.00</b>	<b>150,113.00</b>
Investment Income	8,412.36	9,169.20	4,283.59	13,820.69	2,750.86	0.00
Other Income	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Increases</b>	<b>72,316.36</b>	<b>88,009.20</b>	<b>93,720.59</b>	<b>80,070.69</b>	<b>163,434.86</b>	<b>150,113.00</b>
<b>Decreases to Funds</b>						
Benefit payments	0.00	0.00	0.00	0.00	0.00	0.00
Admin expenses	(8,417.39)	0.00	(8,400.00)	(4,210.12)	0.00	0.00
<b>Total Decreases</b>	<b>(8,417.39)</b>	<b>0.00</b>	<b>(8,400.00)</b>	<b>(4,210.12)</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Increase/Decrease</b>	<b>63,898.97</b>	<b>88,009.20</b>	<b>85,320.59</b>	<b>75,860.57</b>	<b>163,434.86</b>	<b>150,113.00</b>